CORONATION ABSOLUTE

CLASS A as at 30 September 2010

CORONATION FUND MANAGERS

PORTFOLIO MANAGER COMMENTARY

The now much talked about "risk on – risk off" investor behaviour continued into the third quarter of 2010. July was a positive month for risky assets, August was negative, and then September brought a strong wave of upward pricing of risk, resulting in a quarterly return for the MSCI World Index of 13.9%. The South African equity market followed international counterparts with a quarterly return of 13.3%, and the rand strengthening by almost 10% against the US dollar, leading to a dollar return of almost 25% over the 3 months! Even the bond market shared in this euphoria with a third quarter return of 8% in rand terms and 19% in dollar terms. Inflation-linked bond returns were a little more subdued, with the rand number at 4.6%. Listed property returned 13.7% over the three months.

The main reason for the renewed optimism has been speculation of another round of quantitative easing about to be implemented, supposedly leading to a rerating of risky assets. In the event, one could argue that a lot of this anticipated rerating has now already happened, with physical gold also marching north on fears of inflation down the line. The dollar has also lost about 10% against the euro over the 3 months.

Within South Africa, besides the successful conclusion of the Soccer World Cup in July, the emphasis shifted to the benign outlook for inflation in the short term, with interest rates having been brought down by another 50 basis points. The announcement regarding the proposed offer by US giant Wal-Mart for the local retailing company Massmart led to another flurry of buying activity in the SA retail sector.

Against this background your fund had a great 3 months with a return of 10.9%, bringing the year-to-date number to 12.3% and the one-year lagging number to 17.05%. These numbers all outperform the benchmark of inflation plus 6% comfortably. Over the last 5 years the fund has returned 12.9% p.a.

Equity selection in the fund was good, outperforming the market in a strong upward swing. Listed property did well, although the fund did not have a large exposure to this sector. Our inflation-linked bonds continued to perform well, and we reduced the fund's exposure into the strength. Whilst our foreign assets performed well in dollar terms, the rand strength meant that the fund's foreign exposure once again detracted from performance. We continue to believe that having a very healthy allocation to offshore assets is the right position for the longer term, and we do not intend buckling under the pressure of a view that in the short term has been wrong.

During September we have started reducing equity exposure given the sharp run in risky assets. We continued with this programme subsequent to quarter-end. Some of our larger positions have moved closer to our calculated fair value, and as such we are busy reducing these positions. Some of the later additions to the portfolio also performed very well, and profits were taken in some of these cases. We now have very little exposure to retailers, which over the last few years have been blessed with all kinds of tail winds. Whilst we expect the sector to continue to trade well, we think this positive outlook is already reflected in the sharply rerated share prices.

Portfolio managers
Louis Stassen and Henk Groenewald

CORONATION ABSOLUTE

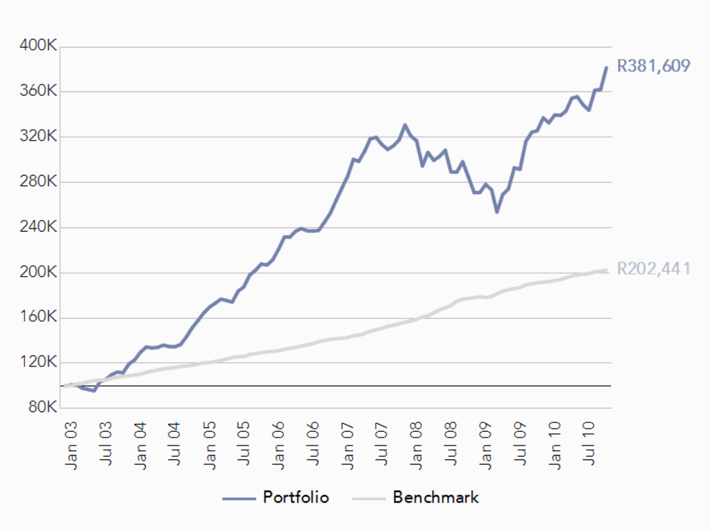
CLASS A as at 30 September 2010

CORONATION FUND MANAGERS

Fund category	Domestic - Asset Allocation - Flexible	Fund size	R 1.68 billion
Fund description	Aims to maintain a real growth rate of 6% per annum, and preserve capital over any rolling 36-month period.	NAV	3233.69 cents
Launch date	02 December 2002	Benchmark/Performance Fee Hurdle	CPI + 6%
Portfolio manager/s	Louis Stassen and Henk Groenewald	Risk profile	

PERFORMANCE AND RISK STATISTICS [1]

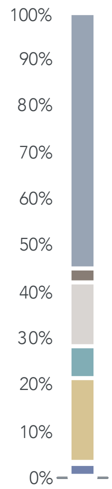
GROWTH OF A R100,000 INVESTMENT



PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	30 Sep 2010
Domestic Assets	**78.6%**
Equities	54.9%
Oil & Gas	2.1%
Basic Materials	8.7%
Unit Trust	2.9%
Industrials	15.5%
Consumer Goods	6.3%
Health Care	0.3%
Consumer Services	8.3%
Telecommunications	6.6%
Financials	5.1%
Derivatives	(0.9)%
Preference Shares & Other Securities	0.1%
Real Estate	2.9%
Bonds	13.7%
Cash	7.0%
International Assets	**21.4%**
Equities	17.8%
Real Estate	2.3%
Bonds	0.7%
Cash	0.6%



PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	281.6%	102.9%	178.7%
Since Inception (annualised)	18.6%	11.8%	6.8%
Latest 5 years (annualised)	12.9%	12.7%	0.2%
Latest 3 years (annualised)	6.3%	13.2%	(6.9)%
Latest 1 year (annualised)	17.1%	9.4%	7.6%
Year to date	12.3%	7.6%	4.6%
2009	22.1%	12.3%	9.8%
2008	(12.2)%	16.3%	(28.5)%
2007	11.1%	14.6%	(3.5)%
2006	29.2%	11.0%	18.2%

TOP 10 HOLDINGS

As at 30 Sep 2010	% of Fund
Remgro Ltd	5.6%
British American Tobacco Plc	4.9%
Coronation Glbl Opp Eqty Fd Cl B	4.4%
MTN Group Ltd	4.4%
Naspers Ltd	3.5%
Coronation Global Managed Fund - Class A	3.4%
Spar Group Ltd	3.3%
Anglo American Plc	3.0%
Coronation Global Managed Fund A	2.8%
Nampak Limited	2.4%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Deviation	10.8%	1.7%
Downside Deviation	5.0	N/A
Sharpe Ratio	0.85	N/A
Maximum Gain	31.3	N/A
Maximum Drawdown	(23.3)	N/A
Positive Months	66.0	N/A

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Sep 2010	01 Oct 2010	28.71	16.50	12.21
31 Mar 2010	01 Apr 2010	16.66	5.37	11.29
30 Sep 2009	01 Oct 2009	15.07	1.67	13.40
31 Mar 2009	01 Apr 2009	77.40	62.13	15.27

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2010	(0.1)%	1.1%	3.3%	0.4%	(2.1)%	(1.3)%	5.1%	0.2%	5.3%				12.3%
Fund 2009	(1.8)%	(7.1)%	6.1%	1.9%	6.8%	(0.5)%	8.5%	2.6%	0.5%	3.5%	(1.3)%	2.1%	22.1%
Fund 2008	(7.1)%	4.1%	(2.3)%	1.2%	1.8%	(6.2)%	(0.1)%	3.1%	(4.5)%	(4.9)%	0.1%	2.6%	(12.2)%

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee - performance related*	Minimum - standard: 1.25% Minimum - discounted: 0.75% Maximum: 3.75% Sharing Rate: 20.00%

* A portion of Coronation's annual management fee may be paid to administration platforms like LISP's as a payment for administrative and distribution services.

When applicable, Coronation shares in the fund performance above the performance fee hurdle. This performance fee is accrued daily, based on performance over a rolling 12-month period, and paid to Coronation monthly. If the fund produces a return in line with or below the benchmark, the standard minimum fee will be levied. If the fund produces a negative return over a rolling 36-month period, the discounted minimum fee applies. For further information regarding our fee structure please contact us or visit our website.

Total Expense Ratio (TER)[2]	3.32% per annum, which includes a performance fee of 1.96%

†Benchmark Methodology - From January 2009 CPIX was replaced with a newly reweighted and rebased CPI. The benchmark is calculated using a combination of the official month-to-month CPIX numbers pre-January 2009 and the new CPI from January 2009.

[1]Performance is quoted from Morningstar as at 30 September 2010 for a lump sum investment using Class A NAV prices with income distributions reinvested. Performance figures are quoted after the deduction of all costs incurred within the fund. [2]The TER is calculated as a percentage of the average NAV of the portfolio incurred as charges, levies and fees in the management of the portfolio for a rolling 12-month period to end June 2010, as well as the actual performance fee incurred over the 12 months to end June 2010. A higher TER ratio does not necessarily imply a poor return nor does a low TER imply a good return. The current disclosed TER cannot be regarded as an indication of future TER's.

Advice Costs (excluding VAT)

- Initial and ongoing advice fees may be facilitated on agreement between the Client and Financial Advisor.
- An initial advice fee may be negotiated to a maximum of 3% and is applied to each contribution and deducted before investment is made.
- Ongoing advice fees may be negotiated to a maximum of 1% per annum (if initial advice fee greater than 1.5% is selected, then the maximum annual advice fee is 0.5%), charged by way of unit reduction and paid to the Financial Advisor monthly in arrears. This annual advice fee is not part of the normal annual management fee as disclosed above.
- Where commission and incentives are paid, these are included in the overall costs.

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